

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

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July 27, 2006

TO: Each Supervisor

FROM: Bryce Yokomizo, Director

SUBJECT: **"DPSS TRENDS IN THE ERA OF WELFARE REFORM: 1998-2006"**

I am pleased to share with your Board a recently prepared document, "DPSS TRENDS IN THE ERA OF WELFARE REFORM: 1998-2006" that provides a wealth of data about trends and the direction of welfare in our County.

This document, in an easy to read format, shows how caseloads and persons aided in our major DPSS programs -- CalWORKs, General Relief, Medi-Cal Only, Food Stamps, and In-Home Supportive Services -- have changed over time. Key trends of interest include:

- Our overall County DPSS caseloads have risen 38.9% in the past eight years, but the make-up of those cases has dramatically changed -- and changed for the better.
- We're giving out less cash aid. Since 1998, our CalWORKs cash caseload has dropped by 47.6%. Our General Relief cash caseload has dropped by over 20%.
- We're providing more non-cash supportive assistance such as Medi-Cal and Non-Assistance Food Stamps.
- As the population ages, our IHSS caseload continues to rise -- 81.2% since 1998. IHSS is currently our County's fastest growing DPSS program.

Our Department has a strong commitment to tracking data to improve outcomes for those receiving public assistance in our County, and I feel that you will find the attached information helpful.

BY:jl

Attachment

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors



DPSS TRENDS IN THE ERA OF WELFARE REFORM: 1998-2006.

Henry E. Felder, PhD. June 2006

Background

The January 1998 start of the California Work Opportunities and Responsibility to Kids (CalWORKs) program introduced welfare reform to Los Angeles County and changed the focus of the Department of Public Social Services (DPSS) from income maintenance to non-cash assistance, services and employment support.

In January 1998, there were 738,794 persons aided on CalWORKs and 80,335 persons aided on General Relief – the primary cash assistance programs for DPSS. Of the 1.55 million persons aided, 53% received cash. By January 2006, only 20.8% of the 2.16 million persons aided by DPSS received cash, while the vast majority now received non-cash assistance, such as Medi-Cal Only, Food Stamps and In-Home Supportive Services.

Trends in Persons Aided

DPSS aided 2.16 million persons in January 2006 (Table 1), an increase of 38.9% since 1998. The number of persons aided with cash assistance declined while persons aided with non-cash assistance increased dramatically. CalWORKs declined by 47.6%, and General Relief declined by 20.8%, while Medi-Cal Only grew by 152.6%, In-Home Supportive Services by 81.2%. Food Stamps participation declined by 15.4% (explained later).

Table 1. Persons Aided by Program 1998, 2006

PROGRAM	1998	2006	CHANGE
CalWORKs	738,794	386,802	-47.6%
General Relief	80,335	63,662	-20.8%
Medi-Cal Only	545,557	1,378,080	152.6%
Food Stamps	778,340	658,450	-15.4%
IHSS	83,355	151,059	81.2%
TOTALS (unduplicated)	1,553,600	2,157,348ⁱⁱ	38.9%

Chart 1. Persons Aided, CalWORKs

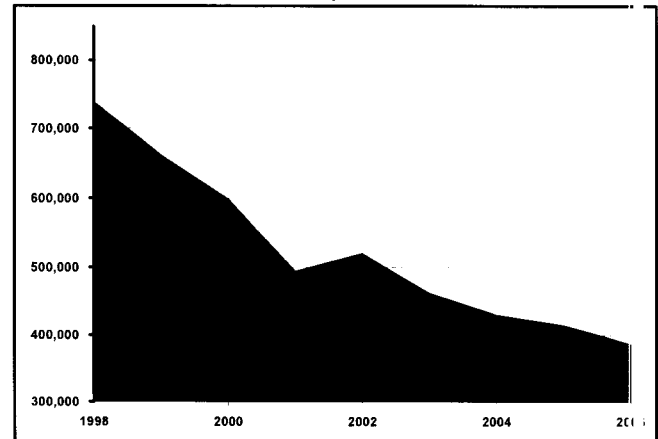


Chart 2. Persons Aided, General Relief

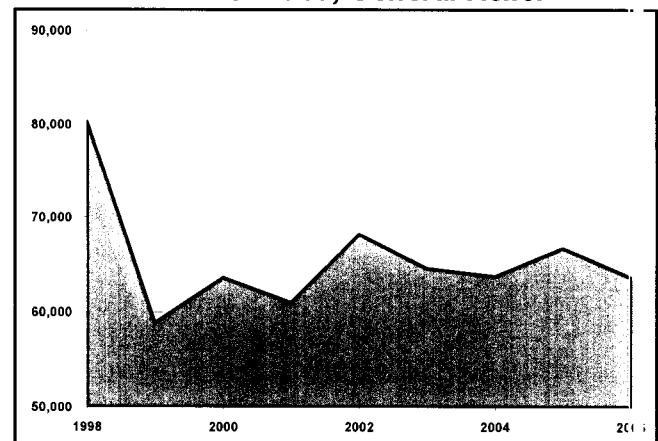
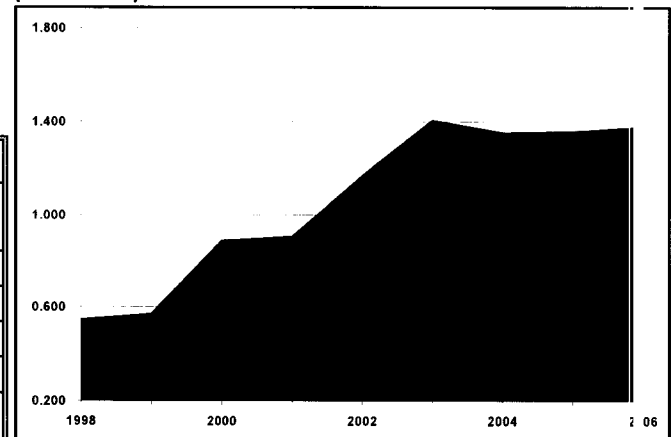


Chart 3. Persons Aided, Medi-Cal Only (millions)



Food Stamp Participation

All persons receiving Food Stamps while also receiving CalWORKs are counted as Public Assistance Food Stamps (PAFS). If none or only some of the members of the Food Stamp household receive CalWORKs, it is counted as Non-Assistance Food Stamps, (NAFS). From 1998 to 2006, PAFS enrollment declined from 574,207 to 193,490 (-66.3%), while NAFS increased from 204,133 to 464,960 (+127.7%). As a result of shifts away from cash assistance, 70.6% of all persons who receive food stamp benefits do so under NAFS.

Three factors account for much of these changes:

- Declines in enrollment in cash programs,
- An aggressive outreach enrollment campaign for NAFS, and
- Introduction of an electronic debit card system for receiving benefits (reduced stigma)..

Chart 4. Persons Aided, Food Stamps

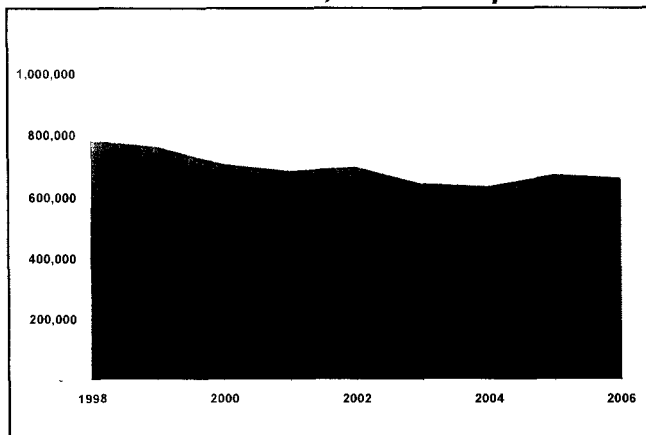
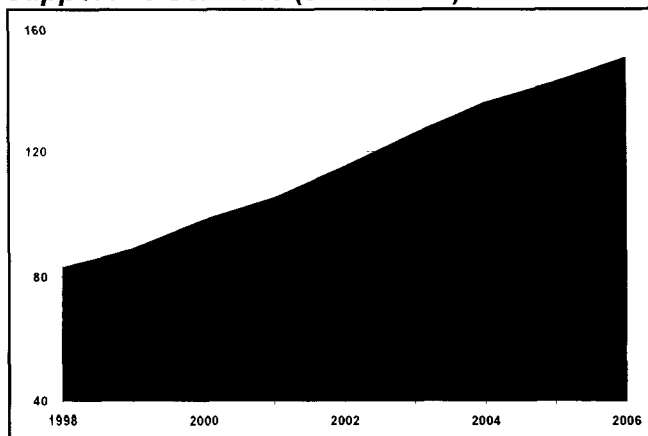


Chart 5. Persons Aided, In-Home Supportive Services (thousands)



Summary of Trends in Major Programs

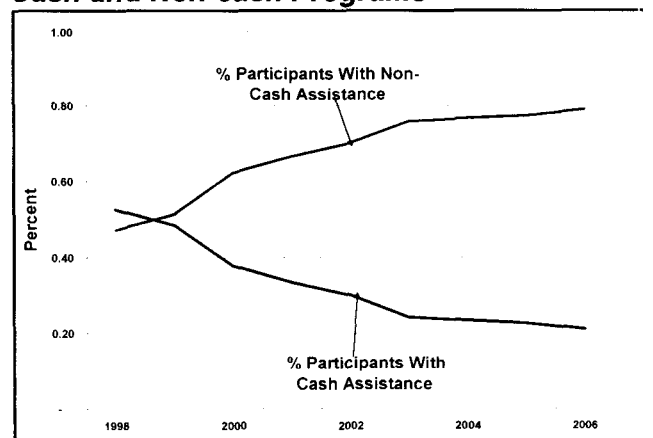
Charts 1 – 5, highlight patterns of the changes in the number of aided persons over the period of welfare reform.

- CalWORKs has declined over much of this period, and continues to do so.
- General Relief declined dramatically in 1999 (80,335 to 58,902), but then stabilized to a range in the 60 thousands. In 1999, the GROW program was introduced and this may have stabilized the GR caseload.
- Medi-Cal Only grew rapidly between 1998 and 2003 by over 860,000 new persons aided, but after 2003 has stabilized at about 1.37 million.
- IHSS has grown steadily at a rate of about 5% a year. Welfare reform may have had no impact on this population.
- Food Stamps participation has declined for those who receive other public assistance, but enrollment has increased for those without other public assistance.

As a result, 79% of persons assisted by DPSS receive non-cash assistance, primarily Medi-Cal, while only 21% receive cash assistance (Chart 6). This is a dramatic change from 1998, when 53% of all persons aided received cash assistance.

This change does not diminish the role that DPSS plays in providing cash support for 453,588 persons in CalWORKs, GR and two small refugee and immigrant programs.

Chart 6. Percent of Persons Aided in Cash and Non-cash Programs



Focus on Employment and Supportive Services

A major focus of welfare reform is to assist participants become employed and to provide supportive services, as needed, to assist them overcome barriers to employment. These supportive services include child care, transportation, and the specialized services which provide professional help with domestic violence, drug abuse, and mental health issues.

During 2005, DPSS aggressively sought to increase job placements and collaborated with other County departments to facilitate the receipt of specialized supportive services. These are the results for the CalWORKs' Greater Avenues for Independence (GAIN) and General Relief Opportunities for Work (GROW):

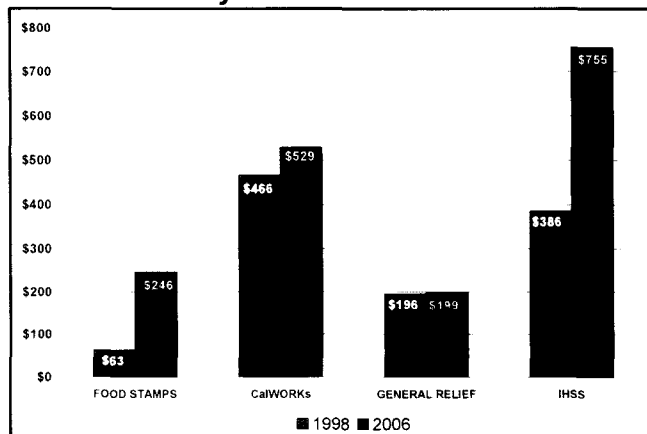
- **34,637** GAIN job placements
- **11,978** GAIN supportive service referrals (7,314 began services)
- **10,952** GROW job placements
- **3,301** GROW supportive service referrals

Since 1998, more than 366,000 job placements have been made for GAIN participants. Also, since 1999 (the inception of GROW), 68,044 GROW job placements have been made.

Trends in Budgets and Staffing

The monthly costs per aided case provide an indication of financial changes that have occurred since 1996.

Chart 7. Monthly Costs Per Case



- **AFDC/CalWORKs** monthly costs per case increased from \$466 to \$529.
- **GR** increased from \$196 to \$199.

- **Food Stamps** increased from \$63 to \$246
- **IHSS** increased from \$386 to \$752.

IHSS is now the most expensive major program on a monthly cost per aided case. It is also the fastest growing program and will continue to account for a substantive percent of the overall assistance costs for

Chart 8. Assistance Payments and Administrative Costs.

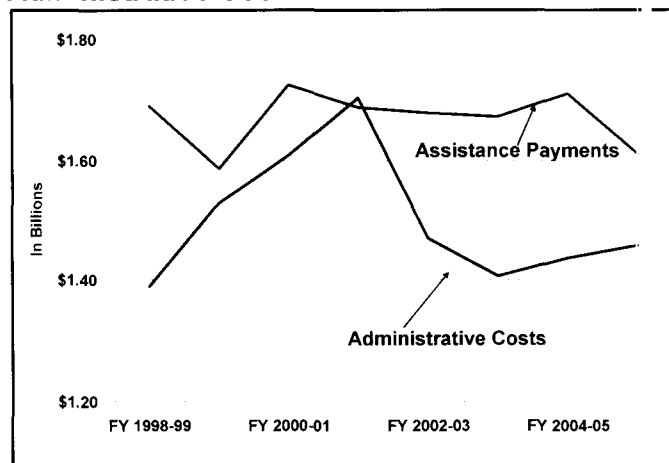


Chart 8 shows that assistance payments and administrative costs have remained in a narrow range from FY 1998-99 to FY 2005-06. Annual assistance payments' cost ranges per program are:

- **CalWORKs** -- \$1.37 to \$1.11 billion
- **GR** -- \$216 to \$171 million
- **IHSS** -- \$ 99 to \$289 million
- **Total** -- \$1.69 to \$1.61 billion

- **Annual Administrative Costs** have ranged from \$1.38 to \$1.46 billion.

DPSS budgeted staff positions increased from 11,194 in FY 1998-99 to 13,389 in FY 2005-06 – a 19.6% increase.

The changes in the annual assistance payments, administrative costs and budgeted positions reflect several factors. These include inflation, changes in the percent of persons aided in various programs, and growth in the number of persons aided through non-cash assistance programs.

Characteristics of Persons Aided

In January 2006, 1.5 million children and 1.0 million adults were aided in all programs (some persons are aided in more than one program). The 2.16 million persons aided by DPSS in 2006 represented about 21% of the 10 million people who live in Los Angeles County. They are as diverse in characteristics as is the County, with over 20 identified ethnicities, who speak over 50 languages.

Charts 9 – 12 show the January person aided characteristics by the percent of adults compared to children, the percent of adult males and females, ethnic distributions, and language distributions by program. There are no expectations of what these distributions should be and this information is presented only to describe the characteristics of persons and cases assisted.

Chart 9. Distribution of Children and Adults by Program

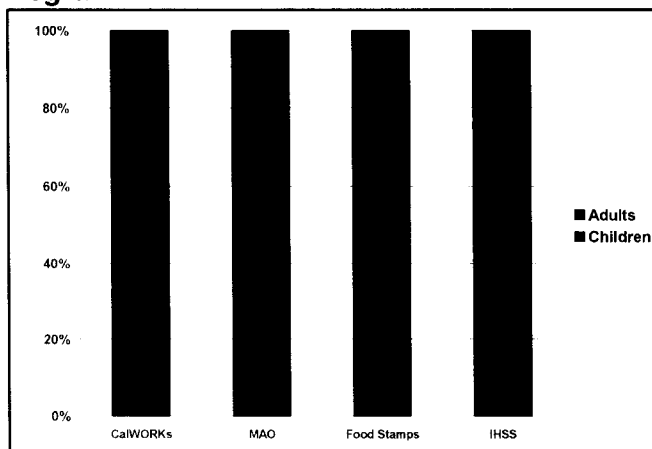


Chart 10. Aided Adult Persons by Gender

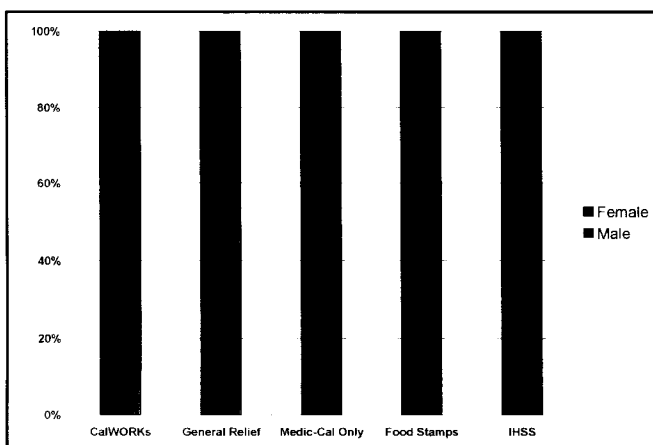


Chart 11. Aided Persons by Ethnic Distribution

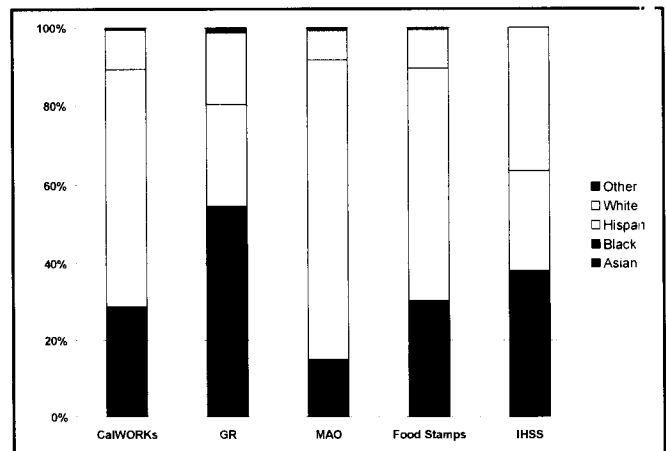
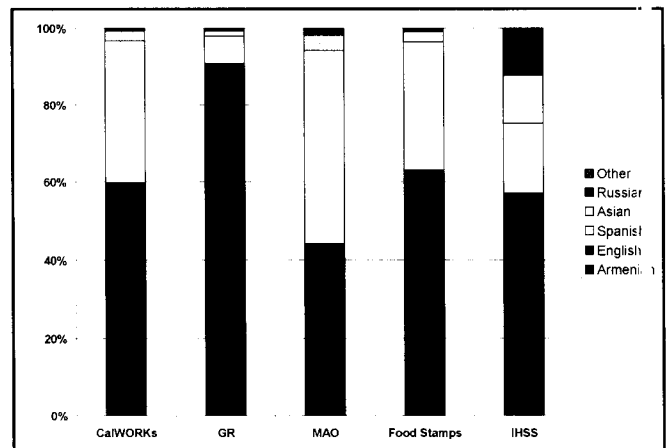


Chart 12. Language Distributions by Case.



Summary of Characteristics

- 1.5 million children and 1 million adults are aided in all programs. While 64.3% of all adults are female, males are dominant only in GR.
- 51% of aided cases list English as their first language, while 38.4% list Spanish.
- 65.2% of all persons aided list Hispanic as their ethnic identification, while 15.9% list African-American, 11.5% list White and 7.2% list Asian.
- There is a large amount of diversity in characteristics in the distributions across the major programs.

ⁱ Unless otherwise specified, all data used in the table and charts come from the monthly Statistical Reports of the Department. All data are for January of the year specified.

ⁱⁱ Unduplicated count. This total includes the Refugee Program and Cash Assistance Program for Immigrants (CAPI).